

## **EXHIBIT C**

# SINO-FOREST SECURITIES LITIGATION

## NOTICE OF PROPOSED SETTLEMENT WITH DAVID J. HORSLEY

**TO:** All persons and entities, wherever they may reside, who acquired any securities of Sino-Forest Corporation including securities acquired in the primary, secondary, and over-the-counter markets (the “Securities Claimants”).

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.  
YOU MAY NEED TO TAKE PROMPT ACTION**

### IMPORTANT DEADLINE

**Objection Deadline** (for those who wish to object or make submissions regarding the proposed settlements with David J. Horsley or recognition and enforcement of any order approving such proposed settlements in the United States. See pages 3 & 4 for more details)

**July 17, 2014**

### Background of Sino-Forest Class Action and CCAA Proceeding

In June and July of 2011, class actions were commenced in the Ontario Superior Court of Justice (the “Ontario Proceeding”) and the Quebec Superior Court (the “Quebec Proceeding”) by certain plaintiffs (the “Canadian Plaintiffs”) against Sino-Forest Corporation (“Sino-Forest”), its auditors, its underwriters, a consulting company, and its senior officers and directors, including David J. Horsley (“Horsley”). In January 2012, a proposed class action was commenced by certain plaintiffs (together with Canadian Plaintiffs, the “Plaintiffs”) against Sino-Forest and other defendants in the Supreme Court of the State of New York which was removed to and is now pending in the United States District Court for the Southern District of New York (the “U.S. Action”) (together with the Ontario Proceeding and the Quebec Proceeding, the “Proceedings”). The Proceedings alleged, *inter alia*, that the public filings of Sino-Forest contained false and misleading statements about Sino-Forest’s financial results, assets, business, and transactions.

Since that time, the litigation has been vigorously contested. On March 30, 2012, Sino-Forest obtained creditor protection under the *Companies’ Creditors Arrangement Act* (the “CCAA”), and the Ontario Superior Court ordered a stay of proceedings against the company and other parties (the “CCAA Proceeding”). Orders and other materials relevant to the CCAA Proceeding can be found at the CCAA Monitor’s website at <http://cfcanaada.fticonsulting.com/sfc/> (the “Monitor’s Website”).

On December 10, 2012, the Ontario Superior Court entered an order (the “Plan Sanction Order”) approving a Plan of Arrangement in the CCAA Proceeding. As part of the Plan of Arrangement, the court approved a framework by which the Plaintiffs may enter into settlement agreements with any of the third-party defendants to the Proceedings.

On February 4, 2013, a proceeding was commenced in the United States Bankruptcy Court for the Southern District of New York (the “United States Bankruptcy Court”) captioned In re Sino Forest Corporation, Case No. 13-10361 (MG) (the “Chapter 15 Proceeding”) seeking recognition of the CCAA Proceeding, and the enforcement of the Plan Sanction Order, in the United States. On April 15, 2013, the Bankruptcy Court entered an order granting the requested relief recognizing the CCAA Proceeding and recognizing and enforcing the Plan Sanction Order in the United States.

To date, the claims in the Proceedings against the defendants Ernst & Young and Pöyry (Beijing) Consulting Company Limited have been settled and dismissed.

### **Who Acts for the Securities Claimants**

Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules, sencrl, and Cohen Milstein Sellers & Toll PLLC (collectively, “Class Counsel”) represent the Securities Claimants in the Proceedings. If you want to be represented by another lawyer, you may hire one to appear in court for you at your own expense.

You will not have to directly pay any fees or expenses to Class Counsel. However, Class Counsel will seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

### **Proposed Settlement with David J. Horsley**

The Plaintiffs have entered into a proposed settlement with Horsley (the “Settlement Agreement”). The Settlement Agreement would settle, extinguish and bar all claims, globally, against Horsley in relation to Sino-Forest including the allegations in the Proceedings. Horsley does not admit to any wrongdoing or liability. The terms of the proposed settlements do not involve the resolution of any claims against Sino-Forest or any of the other remaining defendants. For an update on CCAA orders affecting Sino-Forest, please see the Monitor’s Website. A complete copy of the proposed Settlement Agreement and other information about these Proceedings is available on the website of Koskie Minsky LLP, at [www.kmlaw.ca/sinoforestclassaction](http://www.kmlaw.ca/sinoforestclassaction), on the website of Cohen Milstein Sellers & Toll PLLC at <http://www.cohenmilstein.com/cases/274/sino-forest> (“Cohen Milstein Website”) and on [www.sinosettlement.com](http://www.sinosettlement.com) (collectively, the “Class Action Websites”).

The Settlement Agreement, if approved and its conditions fulfilled, provides that CAD\$4,200,000 (the “Settlement Amount”) shall be paid into an interest bearing account for the benefit of the Securities Claimants until such time that it is distributed pursuant to orders of the Ontario Superior Court. The proposed settlement also provides that Horsley will cooperate and provide information to the Plaintiffs in the Proceedings to aid in the continued prosecution of the claims against the remaining defendants in the Proceedings.

In return, the Proceedings will be dismissed against Horsley, and there will be an order forever barring all claims against him in relation to Sino-Forest, including any allegations relating to the Proceedings. Such order will be final and binding and there will be no ability to pursue a claim against Horsley through an opt-out process under class proceedings or similar legislation.

The proposed settlement with Horsley is subject to court approval, as discussed below.

**Hearing to Approve the Settlement Agreement and Class Counsel Fees on July 24, 2014 in Toronto, Ontario**

On July 24, 2014 at 9:00 a.m. (ET), there will be a hearing before the Ontario Superior Court of Justice (the “Ontario Approval Motion”) at which Class Counsel will seek that Court’s approval of i) the Settlement Agreement; and ii) the fees and expense reimbursement requests of Class Counsel. The hearing will be held at the Canada Life Building, 330 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario. The exact courtroom number will be available on a notice board on the 8<sup>th</sup> Floor.

At the Ontario Approval Motion, the court will determine whether the Settlement Agreement is fair, reasonable, and in the best interests of Securities Claimants. At that hearing, Class Counsel will also seek court approval of its request for fees and expense reimbursements (“Class Counsel Fees”). As is customary in class actions, Class Counsel is prosecuting and will continue to prosecute this class action on a contingent fee basis. Class Counsel is not paid as the matter proceeds, and Class Counsel funds the out-of-pocket expenses of conducting the litigation. Class Counsel will be requesting the following fees and disbursements to be deducted from the Settlement Amount before it is distributed to Securities Claimants:

Siskinds LLP, Koskie Minsky LLP, Siskinds Desmeules, sencrl

Amount requested: up to \$567,000, plus disbursements (expenses), plus taxes

Cohen Milstein Sellers & Toll PLLC

Amount requested: \$84,000, plus disbursements (expenses), plus taxes

If the Ontario Approval Motion is granted, a further notice will be provided to Securities Claimants regarding the time when Class Counsel intends to distribute the net settlement amount (after Class Counsel Fees and other expenses). Any plan for allocating such funds must be approved by the Court after notice to Securities Claimants.

All Securities Claimants may attend the hearing of the Ontario Approval Motion and ask to make submissions regarding the proposed settlement with Horsley.

**Persons intending to object to the approval of the Settlement Agreement or fee and expense application are required to deliver a Notice of Objection, substantially in the form that can be found on the Class Action Websites, and, if this Notice is received by mail or email, enclosed with this Notice (the “Notice of Objection”), to Siskinds LLP by regular mail, courier, or email transmission, to the contact information indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. on July 17, 2014. Copies of the Notices of Objection sent to Siskinds LLP will be filed with the Ontario Superior Court.**

Concurrent with the hearing of the Ontario Approval Motion, there will be a hearing in the United States Bankruptcy Court for recognition and enforcement of the order, if entered, granting the Ontario Approval Motion and the Settlement Agreement, as discussed below.

**Concurrent Hearing for Recognition and Enforcement on July 24, 2014 in New York, New York**

Among other things, the Settlement Agreement is conditioned on the recognition and enforcement of the order granting the Ontario Approval Motion in the United States. Accordingly, on or before June 27, 2014, United States bankruptcy counsel for the Plaintiffs, Lowenstein Sandler LLP will file a motion (the "Horsley Settlement Recognition Motion") with the United States Bankruptcy Court seeking such relief. Copies of the Horsley Settlement Recognition Motion will be available on the Class Action Websites.

On July 24, 2014, at 9 a.m. (ET), concurrently with the hearing on the Ontario Approval Motion, there will be a hearing on the Horsley Settlement Recognition Motion before the Honorable Martin Glenn, United States Bankruptcy Judge, in Courtroom 501 of the Bankruptcy Court, One Bowling Green, New York, New York. If the Ontario Approval Motion is granted, the Bankruptcy Court will consider whether to recognize and enforce the order granting the Ontario Approval Motion.

**Any objections or responses to the Horsley Settlement Recognition Motion, which will be considered separately by the United States Bankruptcy Court, from any objections made with respect to the Ontario Approval Motion, must be made in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules for the Bankruptcy Court. In addition, such objection or response must be made in writing describing the basis therefore and filed with the United States Bankruptcy Court electronically in accordance with General Order M-399 by registered users of the United States Bankruptcy Court's electronic case filing system, and by all other parties in interest, on a 3.5 inch disc, preferably in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format, with a hard copy to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, and served upon United States bankruptcy counsel for Horsley at Finn Dixon & Herling LLP, 177 Broad Street Stamford, CT 06901, Attention: Henry P. Baer, Jr. and United States bankruptcy counsel for the Plaintiffs, Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, N.Y. 10020, Attention: Michael S. Etkin and Tatiana Ingman, so as to be received by them no later than July 17, 2014 at 5:00 p.m. (ET).**

**Further Information**

If you would like additional information, please contact Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules sencl, or Cohen Milstein Sellers & Toll PLLC using the information below:

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Koskie Minsky LLP  
20 Queen St. West, Suite 900, Box 52, Toronto, ON, M5H 3R3  
Re: Sino-Forest Class Action  
Tel: 1.866.474.1739 (within North America)  
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### **Interpretation**

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

Please do not direct inquiries about this notice to the court. All inquiries should be directed to Class Counsel.

**DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO  
SUPERIOR COURT OF JUSTICE**